

Thomas Edison State College Purchaser RFP Questions 10/8/2014

-Please give us a brief overview of the College's operations (i.e. if there are any niche programs, the type of demographics, competitors, changes in FY15 and beyond).

Thomas Edison State College (the College) was founded by the New Jersey Board of Higher Education in 1972 as an undergraduate institution which provides flexible and accessible, high-quality college opportunities primarily for adults. The College was developed within two guiding assumptions: (1) many adults acquire college-level knowledge through work, leisure, and formal and informal training activities and (2) college credit should be awarded for the demonstration of college-level knowledge, regardless of the source of that knowledge.

The mission statement of Thomas Edison State College charges the College with offering degree programs in liberal arts, business, and professional areas; developing and administering instruments such as credit-by-exam and assessment of documented learning to translate nontranscribed knowledge into college credit; providing educational advice to its students; enhancing adult access to all forms of higher education by developing cooperative relationships with higher education providers and by developing policies and procedures appropriate to the adult learner; and with developing linkages or creating educational delivery systems built around contemporary telecommunications technology.

The College is accredited by the Middle States Association of Colleges and Schools. Enrollment for 2014 was 21,495 students. Since the College was founded 50,169 associate, baccalaureate, and masters degrees in fourteen degree programs have been awarded. The College's offices are located in Trenton, New Jersey.

-Discuss your expectations of state and federal funding revenues going forward (i.e. Will federal funding continue to decline as state funding revenues continue to increase?).

The decrease in federal funding was due to the completion of a three year Broadband Technology Opportunities Program (BTOP) grant. The BTOP grant was completed during fiscal year 2013. We anticipate federal funding to be flat over the next several years. The increase in state funding was due to an increase in our appropriation, increased fringe benefits paid by the state and capital bond funding. The College does not anticipate state funding increases in the future.

-Can you please share your enrollment stats (# applied, accepted, enrolled for past 3 FYs) with us? Are there any changes expected going forward?

Enrollments for the past three fiscal years are as follows:

6/30/14 – 21,495

6/30/13 – 20,878

6/30/12 – 20,606

The College has budgeted for enrollment growth of 3% in fiscal year 2015.

-Discuss the purpose and timing of the project (i.e. expected start and completion dates).

Please refer to the *Introduction* section of the RFP for the project description. The construction of the Nursing Education Center is underway currently and is expected to be completed by December 2016.

-Please discuss the repayment source of the loan (i.e. are there any fundraising initiatives in place or is the college relying entirely on internal cash flow)?

The College will be using internal cash flow for the debt service.

-Is collateralization an option for this \$7MM loan (i.e. gross revenue pledge)?

The College is not contemplating collateralization of this debt.

-Will we be pari-pasu with the College's existing term debt providers?

There are no revenue or other pledges with respect to outstanding term debt.

-Does the College have any additional debt plans and/or capital projects in the medium term?

The College has no additional debt plans for the medium term. There are three additional capital projects currently underway (i.e., the Nursing Education Center, and the renovation of 102-104 West State Street and the renovation of the Kelsey and Townhouse Complex located at 101 West State Street described below). These projects are expected to be completed in the short term. Each of these projects is supported primarily by State of New Jersey capital program funds.

-What's the largest challenge the College is facing at this time?

A major challenge to the College is sustaining enrollment growth. The College had 21,495 enrollments in fiscal year 2014. The College experienced a 3% increase in student enrollments. The College was able to generate a 7% increase in student revenue with a price increase of 3.5% along with increases in our traditional students.

The College is in the process of significantly expanding its physical campus. The expansion, which will allow for planned enrollment growth, is being partially funded with grants awarded by the State of New Jersey. The most significant grant is to build the 34,702 square foot Nursing Education Center for which the College seeks partial funding pursuant to the RFP. In addition, the College received funding to renovate the 102-104 West State Street facility which was purchased during fiscal year 2014. The College also received funding to renovate the Kelsey and Townhouse Complex located at 101 West State Street.

-Is the College publicly rated? If so, when, what rating and which agency?

The College is not publicly rated.

-Is there any implied or explicit guarantee of the debt from the state of NJ?

There is no express or implied guarantee of the debt by the State of New Jersey.